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To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

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SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Pursuit of County Position to Oppose AB 587 (Chau).** This measure would establish a temporary tax and fee amnesty program for unregistered mobilehome owners to come into compliance for registration and tax obligations. According to the Treasurer and Tax Collector, this measure could have a significant impact to the County's property tax revenue. Therefore, unless otherwise directed by the Board, consistent with existing policy to: 1) oppose legislation that does not secure State assistance, whenever possible, to preserve the County's property tax; and 2) oppose legislation that causes an adverse impact due to State actions, **the Sacramento advocates will oppose AB 587.**
- **Status of County-sponsored Legislation**
 - **County-sponsored SB 1008 (Lara)** - related to the Los Angeles Regional Interoperable Communications System (LA-RICS) Project, passed the Assembly Floor on August 18, 2016.
- **Status of County-Advocacy Legislation**
 - **County-supported AB 1668 (Calderon)** - related to the Right to Try Act, passed the Senate Floor on August 18, 2016.

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- **County-supported AB 2444 (Garcia)** - related to the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016, was amended on August 16, 2016. As amended, the bill would authorize a bond in the amount of \$2.0 billion total, rather than an unspecified amount.
 - **County-supported SB 879 (Beall)** - related to the Affordable Housing Bond Act of 2016, was amended on August 15, 2016. As amended, the bill would place the Affordable Housing Bond Act on the November 2018 ballot, rather than the 2016 ballot.
 - **County-opposed SB 958 (Lara and Hall)** - related to creating a Los Angeles County Citizens Redistricting Commission.
 - **Status of Legislation of County Interest**
 - **SB 1108 (Allen)** - related to citizen redistricting commissions, passed the Assembly Floor on August 18, 2016.
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Pursuit of County Position on Legislation

AB 587 (Chau), as amended on August 15, 2016, would establish a temporary tax and fee amnesty program for unregistered mobilehome owners to come into compliance for registration and tax obligations.

Under current law, mobilehomes are subject to either property tax or an annual vehicle license fee (VLF) for homes purchased prior to July 1, 1980. If the property tax or VLF is unpaid, then penalties are applied, a lien may be filed, and the registration of the mobilehome cannot be transferred to another owner. When all taxes, penalties, and interest are paid in full, the State issues a transfer clearance certificate for mobilehomes subject to the VLF; for mobilehomes subject to property tax, the county treasurer and tax collector issues a tax clearance certificate.

AB 587 would require, effective January 1, 2017, owners selling their mobilehome to provide a transfer disclosure statement to the buyer prior to the sale, and for the seller to transfer the property with the State. The measure also would allow, until January 1, 2020, unregistered owners to appropriately register their property without having to pay the full amount of any unpaid taxes, penalties, and interest. Under AB 587, the county tax collector would be required to issue a tax clearance certificate if an individual under

this amnesty program pays the taxes reasonably owed prospectively from the date of sale, without penalties or interest. As such, upon issuance of the tax clearance certificate, the individual would be recorded as the owner for all local property tax purposes, and the home shall not be subject to a lien or seizure based on prior unpaid taxes, penalties, or interest.

According to the author's office, mobilehome sales are often informal, and buyers of used mobilehomes may not be aware that the vehicle must be re-registered in their name with the State, and that the registration cannot be transferred without paying any existing liens or penalties on the mobilehome.

The Treasurer and Tax Collector (TTC) reports that AB 587 could have a significant impact to the County's property tax revenue. According to TTC, each year in the County, there is an average of 2,600 defaulted mobilehomes, generating approximately \$628,000 in outstanding taxes and penalties. The current County population of defaulted mobilehome tax totals approximately \$7.8 million. TTC states that although AB 587 would still allow TTC to collect prior year taxes from previous owners, without the ability to refuse to issue a tax clearance certificate, it is unlikely that collection will be successful.

This office and TTC oppose the tax exemptions proposed under this measure's tax amnesty program. Therefore, unless otherwise directed by the Board, consistent with existing policy to: 1) oppose legislation that does not secure State assistance, whenever possible, to preserve the County's property tax; and 2) oppose legislation that causes an adverse impact due to State actions, **the Sacramento advocates will oppose AB 587.**

AB 587 is co-sponsored by the California Rural Legal Assistance Foundation; Golden State Manufactured Home Owner's League; and Western Center on Law and Poverty. It is supported by several mobilehome owner associations and 188 individuals.

This measure is opposed by the: California Association of County Treasurers and Tax Collectors; California State Association of Counties; Urban Counties of California; and Rural County Representatives of California.

AB 587 is currently pending on the Senate Floor.

Status of County-Sponsored Legislation

County-sponsored SB 1008 (Lara), which as amended on August 1, 2016, would: 1) provide an extension of the Los Angeles Regional Interoperable Communications System (LA-RICS) project's current California Environmental Quality Act (CEQA)

exemption from January 1, 2017 until January 1, 2020; 2) provide that the CEQA exemption, if granted, would not apply to school, cultural, sacred, or fire station sites; and 3) require the LA-RICS Joint Powers Authority to hold noticed public meetings in each county supervisorial district in which the LA-RICS project is located before making a determination that an individual project site is exempt from CEQA, file notices of the exemption with the State Office of Planning and Research and the county clerk, and post information regarding the environmental review processes on its website, passed the Assembly Floor by a vote of 67 to 0 on August 18, 2016. This measure now proceeds to the Senate for concurrence in Assembly amendments.

Status of County-Advocacy Legislation

County-supported AB 1668 (Calderon), which as amended on August 15, 2016, would establish the Right to Try Act to permit a manufacturer of an investigational drug, biological product or device to make the product available to eligible patients with a serious or immediately life-threatening disease, passed the Senate Floor by a vote of 38 to 0 on August 18, 2016. This measure now returns to the Assembly for concurrence in Senate amendments.

County-supported AB 2444 (Garcia), which as amended on August 1, 2016, would place the California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2016 on the November 8, 2016 statewide ballot and, if approved by the voters, would authorize the issuance of State general obligations bonds in an unspecified amount to finance parks, water, climate, and coastal protection and outdoor access for all programs, was amended on August 16, 2016.

As amended, the bill would authorize a bond in the amount of \$2.0 billion dollars total, rather than an unspecified amount, and removes the dollar amounts designated for each of the funding categories. The amendments also remove language which would have provided equal funding amounts to both the Lower and Upper Los Angeles River improvement projects, and instead, provide that 60 percent be designated for the Upper Los Angeles River and 40 percent to the Lower Los Angeles River.

AB 2444 is pending on the Senate Floor. This office is working with the Department of Parks and Recreation to review the recent amendments and will report back.

County-supported SB 879 (Beall), which as amended on June 16, 2016, would establish the Affordable Housing Bond Act of 2016, which, if adopted, would authorize the issuance of \$3.0 billion in general obligation bonds, upon approval by voters at the

November 8, 2016 statewide general election; and would utilize the funds to finance various existing State housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, was amended on August 15, 2016.

As amended, the bill would place the Affordable Housing Bond Act on the November 2018 ballot, rather than the 2016 ballot. Language was also added to clarify that the infill incentive grants to be provided in the Bond could be used for various purposes associated with infill development, including (but not limited to): 1) park creation, development, or rehabilitation; 2) water, sewer, or other public infrastructure costs; 3) transportation improvements; and 4) traffic mitigation. The amendments also specify that the Local Housing Trust Matching Grant Program created by the Bond would be used to: 1) fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing; and 2) create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing.

SB 879 is pending on the Assembly Floor. This office is working with the Community Development Commission to review the recent amendments and will report back.

County-opposed SB 958 (Lara and Hall), which as amended on June 21, 2016, would establish a Citizens Redistricting Commission, in only Los Angeles County, to adjust the boundaries of its supervisorial districts after each decennial United States Census, passed the Assembly Floor by a vote of 42 to 25 on August 18, 2016, and it now proceeds to the Senate for concurrence in Assembly amendments.

Status of Legislation of County Interest

SB 1108 (Allen), which as amended on June 8, 2016, would allow counties and cities to establish a citizens redistricting commission consisting of county or city residents to change the boundaries of supervisorial or council districts, passed the Assembly Floor by a vote of 44 to 13 on August 18, 2016. This measure now proceeds to the Senate for concurrence in Assembly amendments.

We will continue to keep you advised.

SAH:JJ:MR:
OR:PC:IGEA:ma

c: All Department Heads
Legislative Strategist